

APPROVAL OF POWER PURCHASE
AGREEMENT WITH H.Q. ENERGY
SERVICES (U.S.) INC.

In the year Two Thousand Ten.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, Vermont's electric distribution utilities have negotiated a 26-year power purchase and sale agreement (PPA) with H.Q. Energy Services (U.S.) Inc. (HQUS), a wholly-owned subsidiary of Hydro-Quebec, for up to 225 megawatts (MW) of energy starting in 2012 and ending in 2038;

WHEREAS, Burlington Electric Department (BED) proposes to purchase 5 MW from HQUS starting in 2015 through 2020, 9 MW from 2020 to 2035, and 4 MW from 2035 to 2038, with the 9 MW representing less than fifteen percent (15%) of BED's peak load;

WHEREAS, BED has determined that future pricing under the PPA, which is tied to a series of market indexes, should provide significant price stability at very competitive rates as BED continues to develop a 100% renewable energy portfolio;

WHEREAS, at its regular meeting on July 14, 2010, the Burlington Board of Electric Commissioners voted to approve the PPA; and

WHEREAS, pursuant to Section 228 (b) of the City Charter, City Council approval of the PPA is required;

NOW, THEREFORE, BE IT RESOLVED by the City Council that the PPA between HQUS and Vermont's electric distribution utilities, including BED, is hereby approved; and

BE IT FURTHER RESOLVED that Barbara L. Grimes, BED General Manager, and/or her designee(s), be and hereby is authorized to execute the PPA and all associated documents on behalf of the City of Burlington; and

BE IT FURTHER RESOLVED that BED is authorized to proceed before the Vermont Public Service Board to obtain all necessary approvals for its purchases under the PPA, and assuming PSB approval, to obtain the approval of Burlington voters.